



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Award bid and approve financing for Two (2)  
1750 GPM Class A Custom Fire Apparatus

MEETING DATE: December 18, 1996

PREPARED BY: Interim Fire Chief

**RECOMMENDED ACTION:** That the City Council award a bid to High Tech Fire Trucks Inc. of Oakdale, Ca. for Two (2) 1750 GPM Class A Custom Fire Apparatus to be used by the fire department suppression division. That the City Council approve a 7 year lease purchase proposal from TRANSOCEAN FUNDING of Burlingame, Ca. as the financing component for the Fire Apparatus.

**BACKGROUND INFORMATION:** This is the acquisition phase of a capital budget request for the replacement of two current fire department front line apparatus. The purpose for this purchase is necessary because of the lack of reliability and extended service life of existing apparatus which currently serve as front line equipment. The industry standard for service life as front line apparatus is considered to be 12-15 years with an additional five years in reserve status. Approval of this request will result in the replacement of a 1969 and a 1974 Van Pelt fire apparatus. Delivery date is expected to be within twelve months of the bid award. The financing strategy for this request was to maintain a level of expenditures so as not to significantly increase the operating budget of the fire department. Delaying the purchase of one fire engine may result in as much as a 10% increase in price and continued maintenance on existing front line apparatus. Financing "Request For Proposals" were for 5, 7 and 10 year terms.

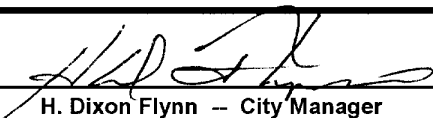
The bids for the Fire Apparatus were received as follows (per engine):

High Tech Fire Trucks (Oakdale)	\$253,551.93
Golden State Fire Apparatus (Modesto)	\$266,939.00
WestMark Fire Apparatus (Ceres)	\$274,966.00

The bids for the financing proposal were received as follows:

Company	Term	Annual Rate	Total Payments	Annual Payment
Transocean Funding	5 yr.	3.76%	\$565,663.45	\$113,132.69
"	7 yr.	4.18%	\$595,310.80	\$ 85,044.40
"	10yr.	4.53%	\$641,869.30	\$ 64,186.93
1st Municipal Leasing	5 yr.	3.806%	\$566,559.15	\$113,311.83
"	7yr.	4.191%	\$595,745.08	\$ 85,106.44
"	10 yr.	[no proposal submitted]		
ABN AMRO	5 yr.	4.11%	\$571,307.50	\$114,261.50
"	7 yr.	4.41%	\$600,411.35	\$ 85,773.05
"	10 yr.	4.67%	\$646,239.70	\$ 64,623.97

APPROVED: \_\_\_\_\_

  
H. Dixon Flynn -- City Manager



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The fire department rental of equipment account in its operating budget has provided a financing component of \$109,000.00 for apparatus in 1993/94, 1994/95, 1995/96 and \$42,000.00 for 1996/97. These expenditures were for purchases for Truck 1 and Engine 1 which are now paid for in full.

The annual payment for two fire engines on a lease purchase agreement at 7 years is **\$85,044.40**. The attached Apparatus replacement schedule will show that this annual payment along with a proposed annual payment for a heavy rescue support unit (Truck 2) at \$25,370.00 for a total annual payment of approximately \$110,414.40 is similar to the Rental of Equipment expenditures that the fire department has experienced over the last several budget cycles. The annual payment for two fire engines on a lease purchase agreement at 5 years is \$113,132.69. A similar 5 year payment schedule for a proposed heavy rescue support unit would be \$33,798.00 for a total annual payment of approximately \$146,930.69.

The attached Apparatus replacement schedule will show the costs (in 1996 dollar value) for future apparatus replacements based on apparatus in the current fire department fleet. Approving (2) two fire apparatus today will realize a 10% savings in purchase price if the council were to wait until next year to purchase the second fire apparatus.

**DISPOSITION:** The 1969 and 1972 Van Pelt fire apparatus will be advertised for sale with the proceeds used for equipment purchases for the existing fleet.

**FUNDING:** There will be no expenditures through the 1996-97 budget plan. The first payment from the General Fund will be due on January 1, 1998.

A handwritten signature in black ink, appearing to read "Frank Ortiz", written over a horizontal line.

Frank Ortiz, Interim Fire Chief

APPROVED: \_\_\_\_\_

H. Dixon Flynn -- City Manager



# CITY OF LODI COUNCIL COMMUNICATION

## Lodi Fire Department 30 Year Apparatus Replacement Schedule

	300,000.00	150,000.00	254,000.00	254,000.00	254,000.00	10.0-201.01.322
<u>Budget Year</u>	<u>Truck 1</u>	<u>Truck 2</u>	<u>Engine 1</u>	<u>Engine 2</u>	<u>Engine 3</u>	<u>Annual Payment</u>
1993/94	67,000.00	-	42,000.00	-	-	109,000.00
1994/95	67,000.00	-	42,000.00	-	-	109,000.00
1995/96	67,000.00	-	42,000.00	-	-	109,000.00
1996/97	-	-	42,000.00	-	-	42,000.00
1997/98	-	25,370.00	-	42,500.00	42,500.00	110,370.00
1998/99	-	25,370.00	-	42,500.00	42,500.00	110,370.00
1999/00	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2000/01	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2001/02	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2002/03	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2003/04	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2004/05	67,596.00	-	-	-	-	67,596.00
2005/06	67,596.00	-	-	-	-	67,596.00
2006/07	67,596.00	-	-	-	-	67,596.00
2007/08	67,596.00	-	42,500.00	-	-	110,096.00
2008/09	67,596.00	-	42,500.00	-	-	110,096.00
2009/10	-	-	42,500.00	-	-	42,500.00
2010/11	-	-	42,500.00	-	-	42,500.00
2011/12	-	-	42,500.00	-	-	42,500.00
2012/13	-	-	42,500.00	42,500.00	42,500.00	127,500.00
2013/14	-	-	42,500.00	42,500.00	42,500.00	127,500.00
2014/15	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2015/16	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2016/17	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2017/18	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2018/19	-	25,370.00	-	42,500.00	42,500.00	110,370.00
2019/20	67,596.00	25,370.00	-	-	-	92,966.00
2020/21	67,596.00	25,370.00	-	-	-	92,966.00
2021/22	67,596.00	-	-	-	-	67,596.00
2022/23	67,596.00	-	42,500.00	-	-	110,096.00
2023/24	67,596.00	-	42,500.00	-	-	110,096.00

Approximate Costs Based on 1996/97 Present Value

RESOLUTION NO. 96-187

A RESOLUTION OF THE LODI CITY COUNCIL  
AWARDING THE BID AND APPROVING FINANCING FOR TWO 1750 GPM  
CLASS A CUSTOM FIRE APPARATUS

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council sealed bids were received and publicly opened on August 30, 1996 at 11:00 a.m. for two 1750 GPM Class A Custom Fire Apparatus described in the specifications therefore approved by the City Council on July 17, 1996; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

**1750 GPM CLASS A CUSTOM FIRE APPARATUS**

<b><u>Bidder</u></b>	<b><u>Bid</u></b> (Per Each Engine)
High Tech Fire Trucks, Oakdale	\$253,551.93
Golden State Fire Apparatus, Modesto	\$266,939.00
WestMark Fire Apparatus, Ceres	\$274,966.00

**FINANCING PROPOSAL**

<b><u>Company</u></b>	<b><u>Term</u></b>	<b><u>Annual Rate</u></b>	<b><u>Total Payments</u></b>	<b><u>Annual Payment</u></b>
Transocean Funding	5 yr.	3.76%	\$565,663.45	\$113,132.69
	7 yr.	4.18%	<b>\$595,310.80</b>	<b>\$ 85,044.40</b>
	10 yr.	4.53%	\$641,869.30	\$ 64,186.93
1st Municipal Leasing	5 yr.	3.806%	\$566,559.15	\$113,311.83
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	7 yr.	4.41%	\$600,411.35	\$ 85,773.05
	10 yr.	4.67%	\$646,239.70	\$ 64,623.97

WHEREAS, the City Manager recommends award of the Bid for two 1750 GPM Class A Custom Fire Apparatus, be made to the low bidder, High Tech Fire Trucks Inc., of Oakdale, CA and further recommends approval of the lease purchase proposal from Transocean Funding of Burlingame, CA for the 7 year term; and

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of the bid for two 1750 GPM Class A Custom Fire Apparatus, be and the same is hereby awarded to High Tech Fire Trucks Inc., of Oakdale, CA, the low bidder, in the amount of \$253,551.93 per engine; and

BE IT FURTHER RESOLVED that the Lodi City Council hereby approves the lease purchase proposal from Transocean Funding of Burlingame, CA for the 7 year term, with an annual payment of \$85,044.40 for both engines.

Dated: December 18, 1996

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I hereby certify that Resolution No. 96-187 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 18, 1996 by the following vote:

AYES: COUNCIL MEMBERS - Land, Mann, Sieglock, Warner and  
Pennino (Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None

  
JENNIFER M. PERRIN  
City Clerk